



STATE OF CONNECTICUT

PUBLIC UTILITIES REGULATORY AUTHORITY

Energy and Technology Committee

Public Hearing, February 21, 2023

Testimony submitted and presented by:
PURA Position:

Marissa P. Gillett, Chairman
Support

Raised H.B. 6724 – An Act Concerning Utility Customer Payment Plans and Extending the Shutoff Moratorium

Thank you for the opportunity to present testimony regarding **An Act Concerning Utility Customer Payment Plans and Extending the Shutoff Moratorium, H.B. 6724**. The Public Utilities Regulatory Authority (PURA or the Authority) welcomes the opportunity to offer the following **supportive testimony**. Based on the current language of **H.B. 6724**, the Authority **supports** the elements of the bill highlighted herein for the reasons set forth below.

Background

H.B. 6724 proposes important adjustments to Section 16-262c of the General Statutes of Connecticut (Conn. Gen. Stat.), which will support and improve energy affordability programs in the state.

Section 1

Subsection (b)(5)

The Authority strongly supports the adjustments proposed for subsection (b)(5) of Section 16-262c. This subsection, as modified, will adjust the statutory deadline for electric and gas distribution utilities to submit the annual amortization implementation plans from July 1st to June 1st. Further, the subsection will provide the Authority 127 days, instead of 90 days, to review and rule on such plans. This subsection also maintains existing language that affords the opportunity for the Authority to extend its review period by an additional thirty days by notifying the affected utilities in advance. This additional time will allow the Authority to sufficiently review the utilities' materials regarding their affordability programs, including the amortization periods, parameters for accurately determining what is affordable for individual customers, and other relevant terms and conditions, and to make informed decisions that best address the input provided by all stakeholders for the benefit of all Connecticut ratepayers, and low-income residents in particular.

Subsection (b)(9)

The Authority supports the proposed addition of subsection (b)(9), as it clarifies the Authority's ability to determine a reasonable amortization period of up to 36 months, unless a longer period is warranted. In supporting this provision, PURA does not concede that it currently lacks the statutory authority to determine the length of a reasonable amortization period; rather, the Authority supports this addition both because clarity improves the implementation and public process related to these programs and because the language is consistent with the Authority's interpretation of the current statute.

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Subsection (b)(10)

PURA also supports the proposed addition of subsection (b)(10), which would allow the Authority to distribute up to one million dollars each year to entities that encourage and enroll eligible customers in energy affordability and payment programs. Stakeholders who work directly with affected utility customers to supplement the public service companies' outreach and education efforts regarding available energy affordability and assistance programs are generally uncompensated for this work and, as such, few organizations or people are able to help customers understand and enroll in these programs. Often these entities are providing time-intensive, technical assistance to individual utility customers, helping the customer to ask the "right" questions of their utility provider and to negotiate payment plans specific to the customer's individual circumstances. Further, this section importantly recognizes that no matter how well-designed or intended an energy affordability program, it may not always serve the needs of all customers struggling with their utility bill. As such, Connecticut needs a robust network of highly skilled and knowledgeable professionals to help shepherd customers through these programs and to help set up reasonable payment plans as needed. Ultimately, these additional funds will be vital to helping the most vulnerable ratepayers who would otherwise slip through the cracks.

As drafted currently, the language is silent regarding whether the funds earmarked in this subsection may be recovered by the utilities as an operating expense. The Authority respectfully advises against providing such certainty in statute, as there are instances in which providing the funds contemplated by this section are necessitated by the actions (or inactions) of the utilities. For example, over the past several years, PURA issued several notices of violation (NOVs) against its regulated entities across various dockets (e.g., Docket Nos. 20-03-15, 21-07-01, 22-03-16) pertaining to various shortcomings or failures to communicate appropriately with customers in violation of state statute, PURA regulations, and/or PURA orders. The funding contemplated by this section may have been a helpful tool to remediate the identified violations of the utilities, especially with respect to mitigating the harm realized by individual ratepayers.

Related Proceedings at PURA

The Authority has pursued a number of proceedings related to addressing bill arrearages, collections practices, payment plans, and low-income discount rates. Specifically, the Authority receives and adjudicates the annual amortization implementation plan, referenced above, in addition to other relevant energy affordability initiatives, in an annual docket labeled, "XX-05-01." This year's proceeding is Docket No. 23-05-01.

Summary of Requested Action

The Authority supports H.B. 6724 as it would improve energy affordability programs in the state. Further, the Authority respectfully advises against any revisions to the language in subsection(b)(10) that would explicitly allow the funds distributed pursuant to the proposed subsection to be recovered as an operating expense of the utility. If the Committee believes that certainty is needed with respect to the cost recovery of such funds, the Authority advises that the language be clarified to indicate that such funds should be paid for using the **shareholder funds** of public service companies.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact Taren O'Connor at 860-827-2689(o), 860-999-3498(c) or by email at: taren.oconnor@ct.gov.

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